

**FISCAL YEAR 2002
ANNUAL ASSURANCE STATEMENT**

“The Department conducted the annual assessment of its systems of management, accounting, administrative and financial systems controls in accordance with the requirements and guidelines prescribed by the Federal Managers’ Financial Integrity Act (FMFIA) and the Office of Management and Budget (OMB). Based on the results of this assessment, with the exception of the Department’s concerns regarding the controls over the accuracy of ownership records and propriety of account balances in the Indian Trust Fund and the other material weaknesses noted herein, the Department can provide qualified assurance that its systems of management, accounting and administrative controls, taken as a whole, meet the objectives specified in Section 2 of FMFIA, and OMB Circular A-123, “Management Accountability and Control.”

Based on the results of the annual independent audited financial statement process, the Department is not in substantial compliance with applicable federal accounting standards and U.S. Standard General Ledger (SGL) reporting requirements. Further, due to the material weaknesses in information system security controls, the Department does not substantially comply with federal financial management systems requirements specified in OMB Circular A-130, “Management of Federal Information Resources.” Therefore, the Department does not fully comply with, or meet the objectives of, Section 4 of the FMFIA and OMB Circular A- 127, “Financial Systems.” The Department implemented a remediation plan to resolve these material weaknesses during FY 2002 and expects to complete corrective actions in FY 2004.



Secretary of the Interior